

Message Text

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SUBJECT: NATO ARMAMENTS PLANNING SYSTEM: PAPER FOR
PAPS STUDY GROUP MEETING FEB 15-16

1. MISSION SHOULD PASS THE FOLLOWING PAPER, DRAFTED BY
MR. ROBERT CALAWAY, CHAIRMAN OF THE PAPS STUDY GROUP, TO
MR. TANSEVER, IS SECRETARY, AND ASK HIM TO DISTRIBUTE IT
TO MEMBERS OF THE PAPS STUDY GROUP PRIOR TO THE MEETING OF
THAT GROUP SCHEDULED FOR FEB 15-16. CALAWAY PLANS TO
DISCUSS THE PAPER AT THE MEETING.

BEGIN TEXT:

CONCEPT FOR A NATO MULTINATIONAL WEAPONS ACQUISITION
STRATEGY DEVELOPMENT PHASE

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REFERENCES: (A) AC/259-D/516
(B) AC/259(PAPS)D/3
(C) C-M(66)33(2ND REVISE)
(D) AC/249(PAPS)R/1

1. INTRODUCTION. THE PURPOSE OF THIS PAPER IS TO
PRESENT A CONCEPT FOR A NATO MULTINATIONAL WEAPONS
ACQUISITION STRATEGY DEVELOPMENT PHASE OF THE PERIODIC

ARMAMENTS PLANNING SYSTEM (PAPS).

2. BACKGROUND. IN THE ANNEX TO REFERENCE (A), THE NADREPS SUGGESTED TERMS OF REFERENCE AND OTHER GUIDANCE FOR A STUDY GROUP WHICH WOULD EXAMINE A POSSIBLE PAPS FOR NATO. REFERENCE (A) WAS SUBSEQUENTLY ENDORSED BY THE CNAD, AND THE PAPS STUDY GROUP WAS ESTABLISHED. THREE CONDITIONS WERE SUGGESTED TO ESTABLISH BOUNDARIES FOR THE SCOPE OF OPTIONS WHICH THE STUDY GROUP SHOULD CONSIDER FOR A PAPS (ANNEX TO REFERENCE (A), PARAGRAPH 9):

(A) RECOGNIZE THE SOVEREIGNTY OF NATIONS IN EQUIPMENT DECISIONS.

(B) INTERFACE WITH THE EXISTING ALLIANCE STRUCTURE WITHOUT RADICAL CHANGE TO IT OR THE PRINCIPLES ON WHICH IT IS BASED.

(C) BE CAPABLE OF OPERATION WITHOUT EXTRA MANPOWER OR OTHER RESOURCES (UNLESS SUCH INCREASES CAN BE DEMONSTRATED TO BE HIGHLY COST-EFFECTIVE).

3. WITH THESE CONDITIONS IN MIND, THE CHAIRMAN UNCLASSIFIED

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SUGGESTED AN ACQUISITION MANAGEMENT PROCESS (REFERENCE B) TO THE STUDY GROUP AS A POSSIBLE FRAMEWORK FOR PAPS. IN SUMMARY, REFERENCE (B) SUGGESTED THAT THE FURTHER A WEAPON SYSTEM MOVED ALONG NATIONAL PLANNING AND BUDGETING PROCESSES, THE LOWER THE PROBABILITY FOR SUCCESSFUL HARMONIZATION OF NATIONAL AND NATO PROGRAMS. THEREFORE, THE GREATEST BENEFIT WOULD BE GAINED BY SEEKING HARMONIZATION BEFORE SPECIFIC SOLUTIONS WERE DEVELOPED, PROJECTS ESTABLISHED, AND FUNDS PROGRAMMED BY THE NATIONS. BY STARTING AT THE EARLY MISSION-NEED STAGE, THE NATIONS WOULD HAVE FLEXIBILITY TO WORK OUT COOPERATIVE PROGRAMS. THIS APPROACH WOULD ALLOW SUFFICIENT LEAD TIME FOR A SMOOTH ENTRY INTO THE NATIONAL PLANNING AND BUDGETING PROCESSES. ALTHOUGH SOME OF THE PROCEDURAL DETAILS OF THE SAMPLE SYSTEM (REFERENCE B) MAY NOT BE PRACTICAL IN THE NATO CONTEXT, THE NEED TO HARMONIZE ON PROBLEMS AT THE EARLY STAGES SEEMS TO HAVE BEEN ACCEPTED BY THE STUDY GROUP.

4. THE WEAPONS ACQUISITION STRATEGY DEVELOPMENT PHASE. AN EARLY TASK DESCRIBED BRIEFLY IN REFERENCE (B) IS THE PREPARATION OF AN ACQUISITION STRATEGY. THE PURPOSE OF THIS STEP IS TO DEVELOP A COURSE OF ACTION TO GUIDE NATIONAL DECISIONS TO MEET THE NEWLY-AGREED NATO MILITARY REQUIREMENT. THUS, THIS WOULD BE THE FIRST STEP TAKEN AFTER A MISSION

DEFICIENCY HAD BEEN PRESENTED TO THE CNAD AS A NATO MILITARY REQUIREMENT. THIS TASK IS CRITICAL TO THE SUCCESS OF COOPERATIVE VENTURES, IN THAT IT TRANSFORMS A GENERAL STATEMENT OF A MILITARY REQUIREMENT INTO AN ACTION PLAN TO PROVIDE A WEAPONS SYSTEM TO FULFILL THAT REQUIREMENT.

5. THE PREPARATION OF A THOROUGH ACQUISITION STRATEGY IS NOT AN EASY TASK, AND IT CANNOT BE DONE QUICKLY.
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THE FACT THAT A PERIOD OF TIME PASSES AFTER ENDORSEMENT OF A MILITARY REQUIREMENT BY CNAD BEFORE ANY ENGINEERING OR DEVELOPMENT WORK BEGINS MAY BE LOOKED UPON AS A WEAKNESS OF THE CONCEPT. HOWEVER, THE LACK OF A WELL-STRUCTURED ACQUISITION STRATEGY HAS BEEN THE CAUSE OF FAILURE OF MANY OTHERWISE PROMISING HARMONIZATION PROGRAMS. SIX MONTHS SPENT PLANNING WHERE THE PROGRAM IS GOING WILL SAVE SIGNIFICANT TIME AND MONEY, AS WELL AS IMPROVE THE SCOPE OF HARMONIZATION.

6. THE COMPLEXITIES OF MULTINATIONAL VENTURES IN R&D OR PRODUCTION OF MILITARY EQUIPMENT PLACES AN ADDITIONAL BURDEN ON THE ACQUISITION STRATEGY DEVELOPMENT PHASE. THOSE COMPLEXITIES ARE NOT ONLY IN THE TECHNICAL AND MANAGERIAL AREAS. THE QUESTION OF POLITICAL WILL IS RAISED AS AN IMPORTANT FACTOR IN EVERY INTERNATIONAL VENTURE. WITHIN THE CONTEXT OF NATIONAL GOALS, OBJECTIVES, AND FISCAL CONSTRAINTS, CAN THE PROGRAM SUCCEED WITHOUT INCREASING INEFFICIENCIES WITHIN THE ALLIANCE? THE ACQUISITION STRATEGY DEVELOPMENT PHASE IS THE OPPORTUNITY FOR THE INVOLVED NATIONS TO ASSESS THESE FACTORS BEFORE THE PROGRAM BEGINS AND NATIONAL COMMITMENTS ARE SOUGHT AND MADE. IT IS THE ONLY PHASE WHERE THE NATIONS HAVE A WIDE RANGE OF OPTIONS AND ARE RELATIVELY FREE OF EXTERNAL FORCES. AS SUCH, THIS ACTIVITY SHOULD BE VIEWED BY THE ALLIANCE AS CRITICAL TO ITS GOAL OF WEAPONS HARMONIZATION AS A MEANS OF IMPROVING MILITARY CAPABILITY.

7. A PROGRAM TEAM COMPRISED OF EXPERTS FROM EACH NATION SHOWING INTEREST IN PURSUING A SOLUTION TO THE STATED NEED WOULD BE RESPONSIBLE FOR THIS TASK.
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THE TEAM COULD OPERATE AS A SUBGROUP OF THE APPROPRIATE CNAD ARMAMENTS GROUP, WITH THE PROGRAM MANAGER COMING FROM, PERHAPS, THE NATION FIRST IDENTIFYING THE NEED.
(THIS TEAM COMPOSITION AND CHARTER WOULD BE CONSISTENT

WITH THAT IN REFERENCE (C), PARAGRAPH 19(IV).)

8. THE PROGRAM TEAM WOULD DEVELOP A SET OF GENERAL PROGRAM CONSTRAINTS WHICH WOULD GUIDE NATIONAL ACTIONS ON THE CONDUCT OF THE MUTUAL EFFORT. TYPICAL ISSUES WHICH WOULD BE ADDRESSED ARE:

(A) AFFORDABILITY -- HOW MUCH ARE THE INVOLVED NATIONS WILLING TO PAY FOR THE NEEDED CAPABILITY?

(B) SCHEDULE -- WHEN DOES THIS NEW CAPABILITY NEED TO BE AVAILABLE TO THE INVOLVED NATIONS?

(C) TECHNICAL RISK -- WHAT TECHNOLOGIES ARE ADEQUATE AND WHERE MUST ADVANCES BE MADE? WHICH NATIONS HAVE THE TECHNOLOGICAL LEADS?

(D) INTELLECTUAL PROPERTY -- WHAT WILL BE THE EXTENT AND THE PROCEDURE FOR EXCHANGE OF INFORMATION ON A JOINT PROJECT? HOW WILL BACKGROUND/FOREGROUND DATA BE HANDLED AND PROTECTED SO THAT THE BEST INTERESTS OF THE ALLIANCE AND THE INVOLVED NATIONS ARE ACHIEVED?

(E) PROCUREMENT POLICIES -- WHAT PROCUREMENT POLICIES AND METHODS MUST BE RECONCILED?

(F) DEVELOPMENT/PRODUCTION SHARING -- HOW WILL THE PROGRAM BE STRUCTURED SO THAT THE NATO INDUSTRIAL BASE WILL BE MOST EFFECTIVELY USED AND DEVELOPED? DOES THE NEED REQUIRE SEVERAL SOLUTIONS, MULTIPLE SYSTEMS, SO THAT EACH PARTNER CAN TAKE RESPONSIBILITY FOR A COMPLETE SYSTEM OR SOLUTION? CAN THE SOLUTION BE UNCLASSIFIED

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SOUGHT BY COMPETITIVE MEANS, WITH EVALUATIONAL CRITERIA SET UP FOR EACH STAGE OF COMPETITION, CONTRACTING PLANS, AND AGREED UPON SOURCES FOR FUNDING?

(G) STANDARDIZATION/INTEROPERABILITY -- TO WHAT EXTENT MUST THE SYSTEM BE INTEROPERABLE WITH EXISTING OR OTHER PLANNED EQUIPMENT AND SYSTEMS? ARE THERE SUB-SYSTEMS THAT REQUIRE STANDARDIZATION? WHAT STANAGS APPLY?

(H) PROGRAM MANAGEMENT ISSUES -- HOW SHOULD THE ANALYSIS OF ALTERNATIVE SOLUTIONS AND VALIDATION OF THE MOST PROMISING ALTERNATIVES BE ACCOMPLISHED? (PHASES O AND I OF REFERENCE (B)).

9. AN IMPORTANT ASPECT OF THE ACQUISITION STRATEGY PHASE IS THE OPPORTUNITY FOR THE PROGRAM TEAM TO TAILOR THE APPROACH TO THE SPECIFICS OF THE PROBLEM AT HAND. IN SUCH TAILORING, SEVERAL SPECIFIC

PROGRAM ISSUES SHOULD BE ANALYZED TO DETERMINE THEIR
IMPACT ON THE PROGRAM:

(A) THE DEGREE TO WHICH COST, SCHEDULE, OR PERFORMANCE
IS THE DOMINANT FACTOR ON THE PARTICULAR PROGRAM.
FOR EXAMPLE, THE PROGRAM MANAGER MAY DECIDE EITHER
TO "BUY TIME" OR "TRADE TIME" FOR COST, FOR A GIVEN
LEVEL OF PERFORMANCE CAPABILITY.

(B) IF SCHEDULE IS THE DOMINANT FACTOR, THE MILITARY
CONSEQUENCES OF NOT ACHIEVING THE DEPLOYMENT DATE
MUST BE CLEARLY STATED. (THERE IS A SIMILAR CONSIDERATION
FOR COST OR PERFORMANCE FACTOR DOMINANCE.)

(C) THE DEGREE OF TOLERANCE AND/OR RISK INHERENT
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IN THE PROGRAM MUST BE UNDERSTOOD. THIS THEN DEFINES
THE DEGREE OF HEDGING AGAINST VARIOUS RISKS THAT
THE PROGRAM MANAGER MUST, AND CAN AFFORD TO,
ENGAGE IN.

(D) THE NEED GENERATED BY THE PROGRAM'S RESULTS TO
INTEGRATE THIS PROGRAM WITH THE RESULTS OF OTHER
PROGRAMS AT SOME POINT, IN ORDER TO PROVIDE SOME
LARGER MILITARY CAPABILITY.

(E) THE DEGREE TO WHICH EXTRA DEVELOPMENT EFFORT CAN
RESULT IN LATER PRODUCTION OR OPERATIONAL COST SAVINGS.

(F) THE MARGINAL RATE AT WHICH SYSTEM PERFORMANCE
CAN BE INCREASED THROUGH ADDING INCREMENTS OF TIME
AND/OR DOLLARS TO A PROGRAM.

10. AT THE COMPLETION OF THIS PHASE, THE PROGRAM
TEAM WOULD HAVE DEVELOPED THE ESSENTIALS OF A MEMORANDUM
OF UNDERSTANDING (MOU) FOR APPROVAL BY THEIR GOVERNMENTS.
THE PROGRAM TEAM WOULD THEN REPORT TO THE CNAD (IN THE
CAPACITY OF A SUBGROUP OF THE APPROPRIATE ARMAMENTS

GROUP) AS DIRECTED IN REFERENCE (C), PARAGRAPH 19(IV)
TO OBTAIN CNAD ENDORSEMENT AS A "NATO PROJECT."

11. CONCLUSIONS. A REVIEW OF REFERENCE (C),
PARAGRAPH 19 REVEALS THAT THE PLANNING PHASE DESCRIBED
ABOVE HAS BEEN ENCOURAGED SINCE THE INCEPTION OF THE
CNAD, AND THE PROCEDURAL AND ORGANIZATIONAL STRUCTURE
EXISTS. FROM THAT STANDPOINT, THIS PAPER PROPOSES
NOT A RADICAL STRUCTURAL CHANGE BUT RATHER A CHANGE
IN EMPHASIS -- AN IMPORTANT CHANGE, HOWEVER:

(A) THE PROPOSED ACQUISITION STRATEGY DEVELOPMENT

PHASE SEEKS TO RESOLVE ISSUES BASED ON A MILITARY
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DEFICIENCY -- WHEREAS THE PLANNING PHASE IN REFERENCE (C),
PARAGRAPH 19(IV) ADDRESSES EQUIPMENT SOLUTION ISSUES.
THE PROPOSED PHASE WOULD EMPHASIZE HARMONIZATION ON
PROBLEMS AND NEEDS LEADING TO HARMONIZATION ON
SOLUTIONS.

(B) THE PROPOSED ACQUISITION STRATEGY DEVELOPMENT
PHASE IS A WIDE-RANGING ACTIVITY, ENCOMPASSING TECHNICAL,
MANAGEMENT, LEGAL, FISCAL, AND POLITICAL ISSUES.
THE PLANNING PHASE IN REFERENCE (C) IS MUCH NARROWER
IN SCOPE. THE PROPOSED PHASE WOULD ADDRESS THESE
ISSUES EARLY WHERE THE OPPORTUNITIES FOR AGREEMENT
ARE THE BEST.

12. FOCUSING ON MISSION-RELATED PROBLEMS, RATHER
THAN ON SOLUTIONS, AND INTENSIVE EARLY PLANNING ARE
SUBJECTS WITHIN THE SCOPE OF THE GUIDANCE PROVIDED BY
REFERENCE (A). ADDITIONALLY, THIS APPROACH APPEARS
TO HAVE THE SUPPORT OF THE STUDY GROUP. THEREFORE,
IT IS RECOMMENDED THAT THE WEAPONS ACQUISITION STRATEGY
DEVELOPMENT PHASE BE A MAJOR COMPONENT OF ANY PROPOSED
PAPS, AND THAT THE STUDY GROUP SHOULD DEVELOP THE
PROCEDURES TO IMPLEMENT SUCH A PHASE WITHIN THE
FRAMEWORK OF CNAD.

END TEXT.

CHRISTOPHER

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